



BANK OF ENGLAND

News release

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Bank of England Raises Interest Rates by 0.25% to 5.75%

The Bank of England's Monetary Policy Committee today voted to raise the Bank's repo rate by 0.25% to 5.75%.

The Committee reviewed monetary and economic developments since its previous meeting. The outlook for world economic activity has strengthened. Prospective growth in domestic demand remains strong: increases in wealth, labour income and household borrowing all suggest that consumer spending will continue to grow robustly. Inflation is currently below the 2½% target and is expected to remain so for a while, but it is likely to rise above target further ahead, reflecting developing pressures in the labour market and on productive capacity. Accordingly the Committee concluded that an increase in interest rates of 0.25% to 5.75% was needed to meet the inflation target in the medium term.

The minutes of the meeting will be published at 9.30am on Wednesday 26 January.

Note for Editors

The previous change in interest rates was a rise of 0.25% to 5.5% on 4 November 1999.